



INSIDE

SPEEA provisions implemented 3
 Medical plan changes Jan. 1 9
 Health-care accounting, profits 10
 777s for China Southern 12

BOEING NEWS

VOL. 51, No. 49

DECEMBER 18, 1992

Condit: Sharing ideas, resources is long tradition

On the occasion of the 89th anniversary of the Wright brothers' historic flight, Boeing's new president, Phil Condit, told a London, England, audience that since its inception, the aviation industry has advanced because of the sharing of ideas and resources, a tradition that remains today in Boeing's development of its newest jetliner, the 777.

In remarks prepared for the 81st Wilbur and Orville Wright lecture Thursday night at the Royal Aeronautical Society in London, Condit said:

"I think it's important to remember that aviation has always been the most international of industries, with advancements in the technology of flight coming from the skill

and ingenuity of individuals around the globe."

He offered as evidence the Wright brothers' reliance on flight research by German Otto Lilienthal and their use of the box kite design pioneered by Australian Lawrence Hargrave, among other examples. "As an American, I'm certainly proud of what two bicycle mechanics from Dayton, Ohio, achieved on Dec. 17, 1903... but I also recognize that the invention of the airplane was truly an international achievement," Condit remarked.

"The history of commercial aviation is really an international success story — of astonishing proportions," he said. "In less than a century, an array of independent

See CONDIT, Page 11

'O-pinions' were nuggets of insight

by John Kvasnosky
 Corporate Safety, Health
 and Environmental Affairs

Jack Potter has never been one to keep his opinions to himself. During much of his Boeing career, Potter has had a lot of say in what it takes to be a success. It should be no surprise that, as his career concludes this month after 48 years, he has a strong belief in what it will take for Boeing's success to continue.

"In my O-pinion, we ought to be good to ourselves..." leads the list of common phrases in the spoken language his associates jokingly refer to as "Potterese," whose elements include colorful adjectives, some of them unprintable here, and humorous mispronunciations. But often buried in his fractured phrases and salty accents are nuggets of insight formed only through hard work and

experience. And in that department, he has earned a Ph.D.

A native of Jamestown, N.D., Potter arrived at Boeing's door at age 17 in the midst of World War II, looking for his first real job. He got it, working in Plant II as a radio electrician on the B-17 production line.

It started a career journey that, after five years on the factory floor, took him through and up the operations side of the company, enabling him to leave his mark on many of Boeing's successes since the start of the jet age.

Much of Potter's time was spent in the facilities organization, culminating with his assignment as facilities director at Everett during the early years of 747 production. After a tour in Renton as headquarters facilities and computing director in the early '70s, he made his return to the factory, first as facility manager at Everett, then director of manufacturing at Renton for the start of the 757 program.

Potter returned to military production work as operations director for the B-2 program for much of its time as a classified program. He then left Seattle to become executive vice president of operations for Boeing Wichita, and in 1990 was named general manager at Wichita. He returned to Seattle in 1991 to begin his current assignment as corporate vice president

See POTTER, Page 2

ILFC orders 53 jets Deliveries will begin in 1994

Demonstrating confidence in the future of the air travel industry, International Lease Finance Corp. has ordered 53 Boeing jetliners, with a value of about \$3.6 billion at 1992 prices.

Boeing Commercial Airplane Group confirmed the large order Tuesday, which specifies deliveries will begin in 1994.

This is the major portion of a

larger order by ILFC that included 28 aircraft from Airbus and a converted option from McDonnell Douglas.

The announcement includes six Boeing 777s, three 747-400s, 19 757s, 15 737s and 10 767s.

The 737s will be a mixture of -300, -400 and -500 models and will bring the ILFC fleet of new 737s purchased from Boeing to 180 when all announced airplanes are

delivered.

The new 737s will be powered by CFM56-3C engines, which is standard for the model; ILFC said it has chosen the GE90 for the 777s.

Eighteen of the airplanes ordered are converted options. ILFC also added 17 new options, bringing total options it now holds for various types to 47. The new options

See ILFC, Page 11

Ben Cosgrove to retire A world expert in airplane safety

by Cindy Arksey
 Boeing Commercial Airplane Group

He's an engineer's engineer. He loves/hates computers, and still carries a slide rule. He's a fiercely proud Notre Dame alumnus and one of the world's recognized experts on aircraft safety.

He's Boeing Senior Vice President Benjamin Cosgrove, and he came to Boeing 43 years ago ready

"to design something big." From his first job in a drafting group to working on almost every Boeing jet since 1949, he's done just that.

With his trademark wryness, Cosgrove said recently, "I will try anything once. I did my job, was prepared, and had a little luck along the way."

These days Cosgrove is starting to design the next big project in his life — his retirement next March.

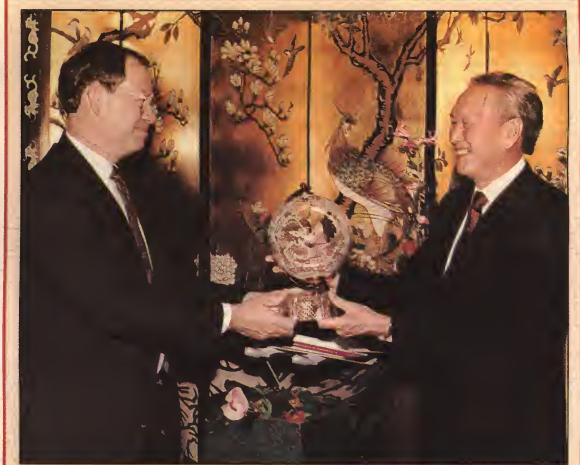
Much of Cosgrove's career is marked with the same qualities he

said he admires about Abraham Lincoln: persistence and dedication.

"Lincoln took a beating for three years during the Civil War, but he didn't stray from the course when he knew it was the right one," Cosgrove said.

Do the right thing
 John Purvis, Boeing Commercial Airplane Group director of Air Safety Investigation, has seen Cosgrove's dedication in action

See COSGROVE, Page 11



THAI's sixth 747-400 commemorated

Boeing President Phil Condit, left, presented a hand-made crystal globe to Chitrachai Bunya-Ananta, right, newly elected president of the national carrier of Thailand, at a dinner commemorating the delivery of Thai Airways International's (THAI) sixth 747-400 Dec.

9. The delegation, including a team of board members and senior government officials, departed Dec. 11 on the delivery flight. The 747-400 is the only jetliner with the range to link Bangkok to European cities nonstop.

Dividend declared

Boeing Chairman and Chief Executive Officer Frank Shrontz reported that a quarterly dividend of 25 cents a share was declared by the board of directors at its Dec. 14 meeting. The first quarter dividend is payable March 5, 1993, to stockholders of record on Feb. 12, 1993.

EMPLOYEE COMMENTARY:

Communication is the key to quality

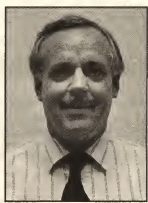
A video presentation by Dean Thornton, president of Boeing Commercial Airplane Group, and Chris Longridge, vice president of Sales for the group, was made to employees in the division following United Air Lines' selection of A320 aircraft over Boeing 737-400s last July. The video is referenced by Opinion Page contributor Erich Franz, U-6610.

Dean Thornton was featured in a video entitled "The Competitive Challenge." Along with Chris Longridge and a group of employees, he spoke about our \$3 billion dollar loss to Airbus. It was sobering, although it's great to see and hear our leaders — only on video. It is wonderful that they are speaking the language of quality and initiating conversations with employees. They are conveying that CQI is more than just another program and that transformation will take time, implying it better not take TOO long.

The majority of on-camera questions focused on CQI. One questioner wondered what can be done to demonstrate the effectiveness of continuous improvement.

Thornton said, in 1992 alone, he is spending \$300 million on training and educational activities, and "that should be evidence in itself." He went on to say that it is up to EACH OF US "to do things

"Now is the time for a special kind of top-down CQI leadership to meet the bottom-up efforts many of us have undertaken..."



right" (not to mention "doing the right things") and to eliminate waste, non-value-added, and duplicative "checks-upon-checks" of many of our processes. He exhorted people to "improve productivity" and then to improve quality, in that order.

He seemed heavy on rhetoric and somber in tone, such that he left me with a fearful impression. He implied that improved productivity is achieved by beating on people to work harder, not smarter, using traditional brute force methods of meet schedule. This smacks of the old paradigm where results — not necessarily customer-defined — came first, a process was developed, and people to work that process were chosen. But if quality comes be-

fore schedule (the whole point of the improvement movement, in my opinion) and were truly "god," then management would be looking at its people first, be using that information to prioritize key processes, and be seeking feedback on desires of internal/external customers.

Now is the time for a special kind of top-down CQI leadership to meet the bottom-up efforts that many of us have undertaken in the past five years. It is time because I fear CQI will stagnate unless it is actually modeled from above. Personal improvement examples from top leaders, such as Thornton and Longridge, need visibility.

Here's the meat: What, in their daily work, are Mr. Thornton and

Mr. Longridge doing to improve? To reduce variation? To reduce cycle time? What are they doing individually to advance the cause of the quality process today? Do either lead or serve on a team that uses reliable methods and data to support results or does it all boil down to gut reaction anyway?

To what extent have they used successful ideas from other executives? What are they doing differently from five years ago? (It's like a manager said to me back then: "what have you done today, Erich, to contribute to the bottom line?")

Answers to these types of questions by upper management, through continued videos, articles, or speeches, empower less-senior managers and supervisors who really want to implement CQI. By giving concrete testimonials, Thornton and Longridge (for example) demonstrate personal ownership and accountability. In turn, each of us may be inspired to emulate them.

I offer one example — in addition to the fact that I stopped procrastinating and wrote this letter! I received an assignment due in two days that could have involved re-keying 600, 4-digit numbers onto a spreadsheet. I'd have to be more responsive than the deadline.

I called someone whose name was listed in the assignment's

backup documentation. He had saved the 1991 data on tape, and, in one hour, created the required graph and faxed it to me with a color hard copy to follow. This exceeded my internal customer's expectation, allowing me to continue on prior jobs.

How many of us would have done exactly as directed and re-created the database? There must be potential for many more examples in our daily work — from mundane (such as typing rather than handwriting Mileage Reports) to sophisticated.

Management's challenge, in particular, is to improve the processes they own and should be accountable for. Well-communicated, personal improvement examples should begin at the highest corporate levels and cascade. These examples can be conveyed during performance management planning, through various in-house publications/videos/divisional phone reporting systems, or even on cubicle and office partitions.

Our reward could be more and more customers and continued employment — all because we build splendid airplanes, provide super post-delivery support, and do whatever it takes to be more responsive than the competition. Is top management up to the "communicative challenge?"

Jack Potter: 'A lot of people make a lot of others look good'

POTTER

From Page 1

for Safety, Health and Environmental Affairs.

In searching for some common thread as he looks back at how the company has "evolved," to use a Potterism, he finds it in the strength of Boeing's people.

"We've had lots of ups and down, but our people have rallied. We ought to be proud that we've always come back and built this place into one hell of a company," he said.

From what Potter has seen of Boeing accomplishments, he has very little doubt of what its people can do when the going gets tough. But what worries him today is what he doesn't see in our reaction to today's environment:

"We've recovered from those ups and downs over the years because we've had either a military requirement or a commercial requirement. The situation is different today. Military budgets are going down. The airlines are struggling."

"The odds are the airlines are gonna come back," Potter said. "The question is 'will there be so many competitors out there that have equipment in a price range that's lower than ours that we lose our market share?'"

"We don't want to consider that we're in a crisis," he continued. "We tend to be good in a crisis. But most of us have a hard time considering we're in one because of the backlog we have and the accolades we continue to get."

It's here where his notion on goodness enters:

"We're doggone fortunate in that we've got good products and good quality. The issue is cost. If we can get the costs down, we'll accom-

plish two things in the marketplace — we'll be more competitive and we'll stay current," Potter explained.

"The time to do things is when you're in good shape, not once you've lost business. It's not like

sellin' toothpaste. If you lose the market, it don't come back quick," he said.

"We ought to be good to ourselves and work the problem internally."

In Potter's mind, that translates



Corporate vice president Jack Potter inspects the Museum of Flight's B-17 bomber undergoing refurbishment in Renton's 4-20 factory. Potter, who started as an electrician on the bomber's production line in 1944, retires this month after 48 years with Boeing, most recently as vice president for safety, health and environmental affairs.

— photo by Ed Turner

into concentration on two key areas.

In the past, success was based on the fact that we always had so much inventory, but it had a hell of an impact on our cost.

"Also, we have a lot of second-order costs. Yeah, some of our systems have made us what we are today. But we've gotta change from what we are if we're gonna continue to be good to ourselves," Potter said.

In approaching that change, Potter subscribes to the philosophy of continuous improvement that he first formally encountered while in Wichita.

"When we get into a crunch, we tend to go back to our old ways. To get past that, we need breakthrough thinking and some leapfrogging. Take a clean sheet of paper and look at what we've been doing" for years, he said.

"The real sense of whether you're focused on being the No. 1 aerospace company is when you ask, 'what do I contribute that's really damned important to what we're doing?'" Potter continued.

"If it isn't important, it shouldn't be done. That's what each of us needs to do. You can't be biased if you're really going to be good to yourself and everybody else," he said.

"In my opinion, we work for the

best aerospace company in the world. We created it by doing it ourselves. We've got a pretty good lifestyle. Why don't we be good to ourselves, our families and future generations by maintaining and improving what we've got? Why limit ourselves to 60 percent of the commercial market?" Potter said.

In retirement, Potter is hoping to spend time in family activities and pursuits like golf and boating that have remained long-time interests.

But before leaving, his priorities include acknowledging those he called Boeing's "unsung heroes."

"The people in the trenches — mechanics, engineers, planners and the like — make things happen around here," he said. "But there are also a lot of other folks that make it happen who we take for granted. Like the secretaries who support you every day, the phone operators who'd almost go to hell and back to help you with a call. The factory and office service people who keep the place cleaned up. Transportation people who haul us around," he said.

"There are a lot of people out there that make a lot of people look good," Potter said. In classic Potterese that needs little translation, he added: "I'd like to recognize that they are the people that I recognize and appreciate." ■

Published weekly by The Boeing Company for employees and retirees.

BOEING

BOEING NEWS

Editor: Barbara Rogers Minor
Reporters: Steve Copley, Barry Remberg, Rick K...

Staff Assistant: Christine Lynda Beardsley

Production Director: Sheila Raymond

The Boeing News office is located in the B-31 Building (Plant II in Seattle) and the mail stop is 18-39. The editorial office phone number is (206) 855-0335, and the outside mailing address is P.O. Box 3707, M/S 18-39, Seattle, Wash. 98124-2007.

Special advance checks to be out before holiday

Salaried employees will receive special advance checks for the Dec. 31 salary payday, which falls during the holiday break.

Third-shift salaried employees will receive the advance checks during their Dec. 22 work shift. First- and second-shift employees will receive the advance checks Dec. 23.

Hourly employees will be paid before the holiday break on Dec. 23.

The advance check for salaried employees will be calculated by multiplying the normal hourly rate by 80 hours and subtracting normal deductions.

Salaried-employee deductions going to the Boeing Employees' Credit Union share savings plan will be credited to members' accounts Dec. 31.

The difference between the salaried-employee advance check and

the actual amount due Dec. 31 will be paid by a residual pay check Dec. 31.

The residual checks will be distributed on the first regular workday after the holiday break or may be picked up in person at pay windows, which will be open from 10 a.m. to 2 p.m. Dec. 31.

Only those salaried employees who had a retroactive rate change, work overtime between Dec. 11 and Dec. 24 or qualify for a supplemental payment will have a residual check to pick up Dec. 31.

The salaried advance check and the residual check, if any, will be considered as 1992 income and included on 1992 W-2 forms, used in preparing income-tax returns for 1992.

Dependent Child Care Reimbursement checks will be mailed the week of Dec. 28.

Boeing implements provisions of contract proposals to SPEEA

by Barry Remsburg
Boeing News, Seattle

Boeing announced this week it is implementing certain provisions of its final contract proposals to engineering and technical employees represented by the Seattle Professional Engineering Employees Association.

The implementation follows an impasse in Boeing and SPEEA contract negotiations. Boeing announced the impasse Dec. 8, after SPEEA on Dec. 7 rejected the company's best and final offers.

In U.S. labor relations, an impasse is when irreconcilable differences remain after there have been extensive good-faith negotiations between parties to a labor contract. "An impasse in negotiations was

not the desired outcome, but that is the situation," said Milt Grover, corporate vice president for Labor Relations, at a media briefing Monday.

Grover said the "unprecedented action" of implementing provisions of the Boeing offer "is not being taken lightly."

"The highest levels of management," he said, "gave long and careful consideration to the effects of this action."

However, Grover said:

"The uncertainties created by the lack of a ratified contract for 28,000 represented employees could not be allowed to continue indefinitely."

"By implementing now, engineers and technical employees will receive paid holidays, lump-sum wage payments, the opportunity for salary increases and continuity of health-care coverage and other benefits."

Selected provisions of the offer are retroactive to Dec. 2, the date following expiration of the former SPEEA engineering and technical contracts. Boeing had temporarily extended the contracts to midnight Dec. 7 during the negotiations.

Benefit changes applicable to all salaried employees—having to do with medical and dental plans, the retirement plan, the Voluntary Investment Plan and the Financial Security Plan—will become effective Jan. 1.

Provisions of the Boeing offer that are being implemented for SPEEA-represented employees are:

Engineering Unit: A lump-sum

payment of 6 percent, to be paid Dec. 18, and selective-adjustment funds (for performance-based salary increases) of 6 percent the first year, 5 percent the second year and 5 percent the third year of the contract.

Technical Unit: A lump-sum payment of 6 percent, to be paid Dec. 18, and salary funds of 9 percent the first year, 5 percent the second year and 5 percent the third year of the contract.

The technical-unit salary funds are made up of general wage increases over the three years of 4 percent, 2 percent and 2 percent and selective-adjustment funds of 5 percent, 3 percent and 3 percent.

Provisions of the Boeing proposal to SPEEA not being implemented are those that depend on existence of a contract, joint activities and provisions that address the status of the union and its representatives.

These provisions cover grievance and arbitration, union business activities, maintenance of membership and dues deduction, and joint initiatives and their oversight.

Grover said Monday that Boeing and SPEEA were "considerably and significantly apart on a number of very serious issues."

Asked about prospects for a return to the bargaining table, he said:

"For me to say what could bring us back to the table is speculation. At this point we have no plans to go back to the table."

We would hope that the union and the membership would take a look at what we believe are very, very good offers and choose to ratify them.

"Our best and final offer," he said, "is literally that."

SPEEA represents approximately 15,000 engineers and 13,000 technical workers at Boeing locations in Washington, Oregon, California, Utah and Florida. ■

Boeing submits bid for ASTOVL

Bids were submitted to the Defense Advanced Research Projects Agency (DARPA) this week on a project meant to explore a possible new aircraft that could replace today's AV-8B Harrier and the F/A-18 Hornet.

Boeing Defense & Space Group, Military Airplanes Division submitted its proposal for the project—called Advanced Short Takeoff/Vertical Landing Aircraft Tech Demonstration Phase II—on Monday.

Military Airplanes manager Mickey Michelich called the Boeing approach "innovative" and said he expects it will be reviewed with great interest by DARPA.

Boeing selected General Electric Aircraft Engines for propulsion support.

In partnership with the U.S. Navy and NASA, DARPA intends the ASTOVL to be a lightweight combat aircraft that could be operational after the turn of the century. The plane must be able to

operate from short, unimproved air strips, land vertically, be capable of supersonic speeds without afterburner and be stealthy.

DARPA has said it expects to select two winners from several competitors sometime after the end of the year for the 36-month contract to produce propulsion components and large-scale wind-tunnel models. DARPA then plans to select a single contractor to build two advanced technology demonstrator prototype aircraft. ■

BECU eyeing northern office

Boeing Employees' Credit Union has announced that it will establish a credit union facility in Snohomish County in the near future.

"Member service remains the No. 1 priority at BECU," said Gary Oakland, credit union president. "And now that the credit union is in a position to establish a new financial center, we're looking forward to being able to better serve those members in Snohomish County."

Although the specific location of the new facility and the date it will begin operating have not yet been determined, BECU said it will keep members informed as the plans unfold. ■

Boeing Lifeline

Blood donations will be accepted by Boeing Lifeline after the holiday break at:

Developmental Center, 9 to 11:15 p.m. and noon to 3 p.m. Thursday, Jan. 7, 9-98 bldg. executive parking lot;

1-90 Corporate Center, 12:15 to 3 p.m. Wednesday, Jan. 6, east of 7-359 bldg.;

1-90 Lake Place, 8 to 10:45 a.m. Wednesday, Jan. 6, front of 7-360 bldg.;

Renton, 9 a.m. to 3 p.m. Thursday, Jan. 7, 10-90 bldg. cafeteria.

The Boeing Lifeline calendar is now available on all Puget Sound Office/Vision nodes. Enter BIR (space) COMCON (all caps) at any main menu command line.



Snow doesn't slow delivery to THAI

Chatrachai Bunya-Ananta, center, president of Thai Airways International (THAI), is congratulated by Jim Johnson, vice president and general manager of the Boeing Commercial Airplane Group, Everett Division, left, and Larry Dickinson, the group's vice president of International Sales, right, after participating in an outdoor delivery ceremony at Paine Field. The Bangkok-based

carrier took delivery of its sixth 747-400 last week during a snow storm that hit the Puget Sound area. THAI will operate the 747-400 to link Bangkok to European cities nonstop. The airline has six more -400s on order after last week's delivery. It has 14 Boeing 747s currently in its fleet and eight 777s on order. For an additional photo, see Page 1.

—photo by Richard Green

Ho-ho-hoping you have a great holiday

Employees are reminded that normal Boeing operations will cease for the holidays at all Puget Sound-area plants and Boeing Portland at the end of the second shift Wednesday, Dec. 23, and resume at the beginning of the third shift that begins late Sunday, Jan. 3, or early Monday, Jan. 4.

Boeing cafeterias and food plazas will have reduced service and close earlier than usual or be closed entirely next week, Monday, Dec. 21, through Wednesday, Dec. 23. Specific locations should be checked for actual closing times.

The Boeing Surplus Store will close 6 p.m. Wednesday, Dec. 23, and reopen Tuesday, Jan. 5.

The Boeing Employees' Credit Union will close at 3 p.m. Thursday, Dec. 24, and be closed Friday, Dec. 25, and Friday, Jan. 1. Otherwise, the regular credit union hours—Monday through Friday from 6:30 a.m. to 6 p.m. at the drive-up windows and 9:30 a.m. to 5 p.m. for other services—will remain in effect.

The next issue of Boeing News will be Jan. 8. Have a happy and safe holiday week!

Club Activities

Dog-obedience class registration open

Registration is open for novice, advanced-novice and force-fetch dog-obedience classes to begin in January. A class for handlers interested in obedience competing will be offered 7 p.m. Thursdays beginning Jan. 14. All classes are one hour per week for eight weeks and are held at the Kent Activity Center. Class fees are \$25 per dog plus a \$15 annual membership in the Boeing Employees Dog and Gun Club. Preregistration is required. For class times and information call Becky Sonnsalla, 631-6560.

Eagle-watch trips set for January

During winter, migrating eagles from Alaska, Canada and the San Juan islands come south to the Skagit River to feed on spawning salmon. In January the Skagit River is reputed to have the largest concentration of bald eagles in the Northwest. The Whitewater Club has scheduled eagle-watch trips Jan. 16, 17, 23 and 24 on 10 miles of Skagit River flat water between Marblemount and Rockport. A bus will depart 8 a.m. from the 7-107 building, near Southcenter, and will pick up passengers in Everett at 8:45 a.m. Cost is \$30 and includes bus transportation and use of life jackets. To register call Ross Morrison, 746-6388, home, or 477-1196, work.

Beginning karate class enrollment Jan. 4

The Karate Association will begin enrollment for a beginning class 5:15 p.m. Jan. 4 at the Kent Activity Center. Minimum age is 8 years. Loose-fitting clothing, such as sweat suits, is recommended. Class times are 5:30 to 7 p.m. Monday and Wednesday. Annual dues are \$10. Bimonthly tuition is \$30 for an individual or \$40 for a family. For information call Terry Swanson, 544-5487.

Amateur-radio classes begin in Everett

The Amateur Radio Operators North Society will offer two novice-technician amateur-radio license preparation classes 6 p.m. Tuesdays or Thursdays beginning the first week in January at the Everett Activity Center. The class is designed to prepare students for the no-code technician license that grants full amateur rights above 30 MHz. A general advanced amateur-radio license preparation class will be offered 6:30 to 8:30 p.m. beginning Jan. 7. Tuition is \$20, due the first night of class. For information call Howard Selmer, 342-6642, or Dave McSwain, 266-8374.

Hawks radio-control club to hold meeting

The Hawks Radio Control Flyers Club will hold its first general meeting of 1993 Jan. 6 at the Kent Activity Center. The meeting will discuss new member applications, membership renewals, new club rules and the pilot recertification program, and will include a demonstration of applying vinyl trim. Attendees bringing models to display will be given free raffle tickets. For information call Greg Smith, 955-4267.

Oil-painting classes offered

The Art Club will hold 10 weeks of oil-painting classes from 6 to 9 p.m. starting Jan. 11 at the South Park Community Center. Cost is \$40. Call Nick Konwert, 931-5804, or Grace Torlumier, 762-3768, for information.

Ski packages available for Mount Hood

Downhill and cross-country ski packages are available at Mount Hood Meadows, Ore., with accommodations at Hood River Inn. The \$89 downhill package includes a room for two people and two lift tickets. The cross-country package cost is \$69. Call a Recreation Activity Center for a flyer.

'SKIFORALL' event Jan. 2

The Ski Club is co-sponsoring the first annual "SKIFORALL Flurry Test," from 8 to 5 p.m. Jan. 2 at the Snoqualmie ski area. SKIFORALL is a Seattle-based organization that teaches disabled people to water- and snow-ski, river-run, fish, hike, sail and bicycle. The event is for the entire family and covers downhill and cross-country events. Former Olympic champion Debbie Armstrong and KING 5 weather meteorologist Jeff Renner are scheduled to participate. A \$50 donation includes free lift tickets, awards, food and social events. For information call the SKIFORALL office, 328-3752.

Pickle-Ball tournament results

The first ever Pickle-Ball tournament was held last month at the Everett Activity Center. The tournament drew 22 participants in singles competition and 11 teams for doubles. In the singles final, Jonathan Campbell defeated Mark Zurschmiede in a best two-out-of-three match. Other semifinalists were Ying Au and Trevor Vandervliet. In the doubles tournament, the team of Trevor Vandervliet and Jon Myrick defeated Mark Zurschmiede and Doug Horn. Other doubles semifinalists were teams of David Campbell and Jonathan Campbell, and Ying Au and Ross Jacobsen. The next Pickle-Ball tournament will be in April. For information call Recreation, 342-5000.

Unless otherwise noted, club participation is open to all Boeing employees, retirees, spouses and dependents, and vendor, customer, contract and government personnel.

Call the Oxbow Activity Center, 655-1941, or the Kent Activity Center, 393-8161, for Seattle programs. Call the Everett Activity Center, 342-5000, for Everett programs.

The activity centers and recreation programs are managed by Boeing Recreation, part of Boeing Support Services.

Getting fit starts with a call . . . or a visit

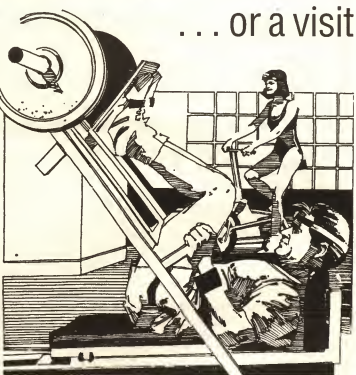
The Boeing Health and Fitness program offers an opportunity to begin or continue a program designed to improve health through exercise, nutritional counseling, dietary analysis, body-composition analysis, cholesterol education and blood-pressure screening.

Exercise physiologists are available to assist in setting and achieving personal health goals.

Program equipment includes treadmills, rowing machines, four types of stationary bicycles, stair-climbing machines, cross-country simulators, an indoor track, aerobic-dance classes, and Nautilus and Life Circuit equipment.

Program membership is \$10 per month by payroll deduction.

Applications may be made in person or by telephone at one of the following program locations: Everett, 40-201 bldg., M/S OF-KC, 342-9800; Kent, 7-226 bldg., M/S 8L-36, 393-1606; Bellevue, 33-04 bldg., M/S 7L-01, 865-5600 (membership limited to on-site employees); and Oxbow, 9-150 bldg., M/S 4H-57, 655-2003.



There was more than one woman who was awarded the Air Medal

Henrietta Garcia has something in common with Barbara London, this year's Museum of Flight Pathfinder award winner.

Both were awarded Air Medals. The Museum of Flight reported that London "was the only woman to win the medal during World War II" in information it provided for the Nov. 6 issue of Boeing News. That information caught the eye of several readers, including Garcia's daughter, Sherrie Harrison, a Boeing employee in the Peace Shield program.

Garcia, the wife of Boeing retiree Lyle Garcia, was Sgt. "Willie" Williams during World War II.

She was awarded the Legion of

Merit, the Air Medal and three combat medals for her service as a Women's Army Corps C-47 navigator and navigation instructor in the China-Burma-India campaign.

Harrison provided an article in a 1946 edition of the Seattle P-I that said her mother was the only WAC flying in the China-Burma-India theater during World War II and the only WAC known at that time to have won both the Legion of Merit and the Air Medal.

"As navigator and instructor of navigation on a C-47, she was a self-made young woman," the 1946 P-I said. "The Legion of Merit was awarded to her for having learned to operate navigation instruments

on her own time, working 12 to 16 hours per day all the time she was overseas."

"When she first went to the China-Burma-India theater, she made all the maps for the navigation instruments," the paper said. "She was soon doing top-secret work."

Garcia received her discharge from the Army after suffering an injury to her right knee in a crash landing when her plane lost an engine overseas, according to the P-I.

Harrison said her mother and father now reside in Arizona and spend much of their retirement time traveling. ■

DISCOUNTS

CALIFORNIA—Disneyland, Universal Studios, Knott's Berry Farm, Sea World, San Diego Zoo, Alpike Club and various museums.

FLORIDA—Disneyworld, Epcot Center, Universal Studios, MGM Studios and Sea World.

WASHINGTON COAST—14 Hole at Medford. The Breakers at Long Beach.

SPIRIT OF FIREFLY SOUND—Seattle cruise includes lunch or dinner. Broadway show and live band for dancing. 10 percent off ticket price. Call 443-1442 for information.

PACIFIC SCIENCE CENTER—Save \$5 to \$7 on annual memberships.

VANCOUVER—Inn at Westminster Quay, Sheraton Inn, Burnaby, Ramada, Sands and Vancouver City Holiday.

VICTORIA—Queen Victoria Inn.

VICTORIA CLIPPER—10 percent discount off adult fares for Boeing employees and one guest. Call 446-5000.

RANDOM COUNTRY INN—Chickadee, C.S. \$50 per night (certain) single or double occupancy.

SUNNYSIDE INN—Clackamas Town Center, Ore. Twenty percent off regular rates.

SEATTLE THUNDERBOLTS—Dec. 30 with Tacoma. Regular \$10 seats for \$7.

STARS ON ICE—7:30 p.m. Jan. 3 at the Seattle Center Coliseum. Kids' Varsity Hockey, Rosalyn Sommers, Paul Wyle, Brian Grant, Scott Hamilton, Kelly and Peter Carruthers, and Estelita Gorbachev and Sergei Kovalev. Regular \$22.50 and \$30 tickets for \$15.50 and \$21. Seating is Dec. 23.

TACOMA HOCKEY—Regular \$50 seats for \$5.50 for games Dec. 29, Jan. 23, Feb. 13, Feb. 27 and March 20, at 7:05 p.m. at the Tacoma Dome.

MUSEUM OF FLIGHT—Membership through payroll deduction. Discounts from \$2 to \$11 a year. Call the museum, 784-0711, for information or an order form.

SEATTLE SUPREMACIES—Regular \$15 tickets available for \$5 for SuperSonic games March 4 with Charlotte and April 4 with Atlanta.

"ENTERTAINMENT 50" DISCOUNT BOOKS—Books are available for North Puget Sound, S.W. South Puget Sound, S.E. and Greater Seattle. \$40. Books are available over the counter by cash or check at the Oxbow, Everett and Kent.

ACTIVITY CENTERS.

SEATTLE HARBOR TOURS—Ten-percent discount on Christmas cruises. Call a Recreation office for an order form.

HOME SHOW—Jan. 7-10 at Western Washington Fairgrounds. Present Boeing badge and save \$1.

USA MOTORSPORTS—Demolition derby, rollover circuit, monster truck challenge and motocross events. Jan. 15 and 17 at the Tacoma Dome. Regular \$15 and \$13 seats are \$12 and \$10.

MOUNT HOOD MEADOWS SKIING—Alpine and cross-country packages for two. Ski lift, bus passes and one night at Hood River Inn for \$89 and \$80.

COPPER BOWL—One day charter to Tucson Dec. 29 for injury to train from University of Utah State. Call Ambassador Seattle Travel, 453-9344.

Information items on above discounts are available in person or by calling the Recreation Activity Center, 342-5000, or the Everett call 342-5000.

Video provides retirement help

The Prime Time Retirement Planning Package answers common questions about lifestyles, health issues, home options, legal matters, Social Security, financial planning and the Boeing Retirement Plan.

The video-workbook package is intended to supplement ongoing retirement seminars or provide primary information when a seminar is not available.

The package is available through an \$18 payroll deduction. Puget Sound employees may submit a payroll deduction card to a nearby learning center. ■

family care resources

an employer service of The Boeing Company

Boeing Family Care Resources offers Boeing employees and their dependents the following services to help meet child and elder care concerns:

- Consultations
- Problem Solving
- Referrals
- Educational Materials

These services are provided in cooperation with Working Solutions Inc.

Where to Call:

Washington Toll Free (800) 322-9776 • Seattle (206) 285-5552

Oregon/California Toll Free (800) 358-8515 • Portland (503) 246-1040

Office Hours:

Monday - Friday 6 a.m. - 6 p.m., Sunday 4 a.m. - 8 p.m.

Emergency Service available 24 Hours

BEGNF-provided tractor pulls loads of love



A tractor, above, was the result of a Boeing Employees Good Neighbor Fund grant to M Bar C Ranch on Whidbey Island. The ranch, which hosts abused, handicapped or neglected children and seniors, uses

the tractor to pull individuals in a hay wagon who are unable to ride horses. The ranch, below, is decorated to resemble a Western village, complete with cowboy hats and chaps and an open-air canyon.



Employees honored for service

The Boeing Company recognized the following employees in November for their years of service.

45 YEARS

FRED W MCINNIS 9-2277

40 YEARS

RICHARD C ADAMS 1-1820
HARLEN R BURTON A-4690
R W DANFORTH R-6223
CHARLES GOGGIO JR 7-7275
ALLEN J HARTWIG 1-3166
DONALD J LARSEN 1-5760
JAMES L PAKE 6-5885
DONALD R PATTON 9-3622
R D SETTLEMAYER 9-2207
KENNETH SLOTTEN R-6887
ROY SMITH 6-5654
JAMES M TIMELSTAD A-4153
MAX E WENGER 9-3610
EUGENE W ZAHLER 9-3664

35 YEARS

W AUGUSTINE JR 6-1445
HUBERT L BAILEY G-2221
DONALD B BALDWIN A-2520
CARL E BROWN 1-0891
RICHARD D DOLL 6-1421
RONALD E ECKSTEIN A-2520
KENNETH G ELLIS A-4757
THOMAS J HANSEN R-6610
R DALE HARRIS A-7300
JOHN E HUNGATE R-6212
V W HUTCHINSON R-3160
JOHN KINGSNORE U-3001
NANCY K KLOPFERDAZ 9-3701
JOHN M KLOCKE 1-8862
ROBERT A KRULL A-1873

ARNOLD M LEONARD A-2320
ANN C MARZAN 6-5338
DOROTHY M MASON 9-3772
C A MC LAUGHLIN U-5335
WILLIAM R MILLER R-6001
E CARLINE MOORE 1-5351
G E S MORRISON 2-2942
JAMES R O'BRIEN 9-5360
ROBERT C POTTER 6-1436
E RUTH RENDLER 9-3423
MARY A RILEY 9-1861
GARY A SHUGARTS 9-5681
DONALD L SORENSEN 9-4988
KEITH C TRECE 1-6033
HENRY A TUCKER JR 9-1251
DONALD D WESTRY R-7320
DAVID H WILSON 9-5724

30 YEARS

RICHARD W BEALL 6-4568
JOANN BRIDGALL 2-1170
CHARLES W BOWEN 6-2157
BERNICE S BURTS 9-3423
HARRY N CHESLER 7-6892
DARWIN C CLEVELAND 1-4400
R O DUNNAN 9-1830
DONALD L EGE M-3234
MARK L ERIKSSON U-3011
NELSON R FISHER 6-8410
ROBERT J GUNNING 1-7855
ROBERT J GUNNING 1-7855
GEORGE R HAMMACK 6-5658
LEONARD M HANLEY 1-5350
W L HILSENDAUER R-3472
D O KRAVCHAK 6-0164
STEPHEN F HOWARD A-4786
EDDIE J JOHNSON 6-2095
D L KRAVCHAK 6-0164
RICHARD K LITTLE 6-1088
MELVIN L LOCKE 1-7879
JOSEPH P LUSSIER 6-4004
PATRICIA L MAIN 9-2912
V JAMES MILLER 2-8573
ELDON MONTGOMERY 2-8620
JAMES S NENNINGER 4-7066
REIDAN R SMITH 7-7666

VERNON F SMITH 6-1848
PETER SMUTNY C-1194
DAVID L SNYDER L-7883
G A SULLIVAN 6-1001
DONALD L TAYLOR 8-5910
ROGER D TUCKER 7-5892
RONALD A WHITEHEAD 6-2834
DONALD A YORK 1-4200
RICHARD A ZIMMERMAN 8-1068
RICHARD G ZIEGLER 8-1700

25 YEARS

DUANE A ALLEN R-6720
ROBERT J AMES V-2000
RONALD D ANDERSON R-6801
JOEL BARTLETTE A-7721
JEROLD R BENZING A-3520
W C BLEAKMORE 9-3085
GORDON A BLOM R-1128
JEAN A BROWELL 6-1411
RODNEY L CLAUSS A-5442
DARRICE L CLUBB A-5630
N FAYE COODER A-3730
JESSE C CONTRERAS A-3550
MARLYN C CROSBY 4-8339
RODNEY J DEAGER 6-9400
FRANK W DELAMATER R-3816
GORDON D DIETZ 9-4891
DERALD D DIXON 1-7405
SHARON K DOWNIE 9-1855
LAWRENCE C ELDER A-3520
PAUL A FEDER JR 8-6528
RICHARD M FRESHLEY A-1562
BETTY A GLEN 9-3690
JAMES G GOOCH A-2531
FRANK J HALL 6-6318
G A GRIFFITH 6-1850
ALANKAR GUPTA A-0418
JOHN J HALL 6-0164
MICHAEL S HART 9-4870
DONALD L HOBBS R-3208
JOHN H HOUTZ 7-4808
NEIL HURD 4-7330
JAMES D JACKSON 9-3621
ROBERT J JONES 9-9223
ROBERT F KALLAM JR A-5232
MICHAEL E KARPENKO 1-6735
KATHLEEN S KIMBALL 4-2227

DONALD A KOLWITZ 8-4101
DOUGLAS G KOWP 6-3882
PATRICIA A KOSNEY 1-6735
JERRY M KROHN 8-5790
JOEL C LEWIS 7-6643
JOSEPH P LEWIS 9-9200
ALBERT MAIMON 6-2070
PATRICIA C MALONE 7-6643
HARLEY E MANN 1-5552
NANCY A MARSHALL 8-9874
RONALD J MAYO 8-1668
ROBERT J MCINNIS A-5504
PAUL R MEASEL 6-5107
LLOYD W MORTON 9-4867
W F NELSON JR A-3290
PAUL E NESS 7-4744
RONALD P O'NEILL 8-1040
MYLES A OBYRNE 6-7881
DONALD W PADRA 7-6830
HOWARD A PEARL 6-1040
MARY E POLLARD 6-2225
LEO P POOL 6-1120
RONALD E POPKOWSKI 1-1850
DONALD J PORTER 1-9895
RONALD E PORTER 1-9895
JAMES R PRICE 2-4854
HENRY D SIKRINE 6-6405
CHARLES R SIPLEY 1-4826
JAMES S SANDERS 1-7405
KIMETH A RICHARDS 6-6116
CONLEY W SKIENS 4-5790
ANDREW STALLERS 9-3630
ROBERT C STOKLEY A-1562
FRANK A STOVER JR 6-1404
THOMAS A STROMBERG 6-2343
LARS HARVEY SUNDT 1-7372
R F SWARTZGARD JR 6-2616
DONALD R TOTT 8-0511
RODNEY C TRAYLER 1-7440
DONALD E VANDEL 6-2520
EUGENE O VESSEL 8-7727
JERRY T VIRAVEE 4-1100
JERRY O WALZ 1-3166
DOUGLAS A WILSON 1-6870
ROBERT O WISE 8-1870
KIMETH A YANTZER 3-3661
DARLENE F YOUNG 8-1817
RONALD F ZABORA 8-1190

A grant from Boeing Employees Good Neighbor Fund allowed purchase of a tractor for the M Bar C Ranch on Whidbey Island in June. The ranch hosts abused, handicapped or neglected children — and often seniors — for entertainment in the spring, summer and fall that includes horses, cowboy hats, chaps, a Western village and an open-air canyon.

Children and seniors who are unable to ride a horse ride in a hay wagon that is pulled by the tractor, which also is used to maintain the ranch grounds. Run by volunteers, the ranch was visited by more than 2,000 children this year.

The \$38,700 grant from BEGNF to the Forgotten Children's Therapeutic and Handicapped Riding Program for a tractor was part of \$1,566,539 allocated to agencies in June.

The grants, including those to United Ways, serve communities where Boeing employees live and work.

BEGNF made payments on pledges during the month to Puget Sound-area United Ways for the counties of King, \$18,255; Snohomish, \$19,576; Pierce, \$133,146; Kitsap, \$6,766; Island, \$6,830; Skagit, \$4,701; Thurston, \$3,803; Mason, \$7,786; Whatcom, \$7,000; and Lewis, \$304.

Funds held in reserve were released for Chicken Soup Brigade, \$40,000; Simon Cyrene Society, \$25,000; Little Red School House, \$64,000; Central Youth and Family Services, \$75,000; Stonewall Recovery Services, \$10,000; and Cocoon House, \$10,000.

BEGNF also allocated employee membership funds for capital needs of the following Puget Sound agencies:

■ Olympus Electronics, \$3,850 to purchase a computer system for use in tasks

involving training, production and administrative functions. Olympus Electronics provides training and employment for 15 handicapped persons classified as severely disabled due to mental retardation.

■ Friends of Lewis, Mason and Thurston Counties, Retired Senior Volunteer Program, \$5,300 to purchase an equipment to help the volunteer staff do their work. The program, manned largely with senior volunteers, provided 1,000 retired seniors with 125,000 hours of community service in 1992.

■ Custom Industries, \$60,000 for a machine that automatically fills dry and wet materials such as spices and detergent as training for the agency's clients. The agency helps build self-esteem and prepare clients for jobs in the competitive market. Clients are adults with moderate learning disabilities, sensory and/or communication challenges, mobility and/or dexterity limitations and emotional stability.

■ Washington Women's Employment and Education of Tacoma Pierce County, \$1,880 for communications equipment to be used by students in skill-building. The agency's classes provide single, low-income heads-of-household women positive self-esteem building, basic skills assessment and goal-setting skills.

■ Southeast Community Alcohol and Drug Center, \$11,500 for a facsimile machine and computer system to help track treatment, insurance claims, court evaluations, attorney reports, case loads, billing and collections. The agency serves low-to moderate-income clients with a two-year program that includes nine weeks of outpatient treatment and 26 weeks of aftercare, ending with monthly meetings.

■ Domestic Abuse Women's Network (DAWN), \$53,200 for additional shelter space and computer system to help track treatment, insurance claims, court evaluations, attorney reports, case loads, billing and collections. The agency serves low-to moderate-income clients with a two-year program that includes nine weeks of outpatient treatment and 26 weeks of aftercare, ending with monthly meetings.

■ Domestic Abuse Women's Network (DAWN), \$53,200 for additional shelter space and computer system to help track treatment, insurance claims, court evaluations, attorney reports, case loads, billing and collections. The agency serves low-to moderate-income clients with a two-year program that includes nine weeks of outpatient treatment and 26 weeks of aftercare, ending with monthly meetings.

■ Domestic Abuse Women's Network (DAWN), \$53,200 for additional shelter space and computer system to help track treatment, insurance claims, court evaluations, attorney reports, case loads, billing and collections. The agency serves low-to moderate-income clients with a two-year program that includes nine weeks of outpatient treatment and 26 weeks of aftercare, ending with monthly meetings.

Condolences extended

The Boeing Company offers condolences to the families and friends of the following retirees who deaths have been reported to the company:

Name	Dept.	Date of Death
ERNEST ALLEN	A-500	10/29/92
PAUL E. ALLEN	A-500	10/29/92
JACK D. BALCOM	A-2203	10/15/92
ADAMS M. BATES	A-500	10/29/92
JAMES E. BATES	A-500	10/29/92
FRANK BEARLSON	R-5320	10/29/92
DONALD B. BERRY	A-2681	10/17/92
JAMES L. BLUM	A-2451	09/18/92
BOYD E. BOURNE	A-500	10/29/92
WILLIAM E. BOYLE	A-1086	10/29/92
RAYMOND K. BRANCH	A-6150	10/29/92
LEONARD BRUNSON	A-3450	10/29/92
EVRETT T. COFFIN	A-4940	10/29/92
HAROLD F. COLEMAN	A-2403	10/29/92
DORRANCE E. COOK	A-6900	10/29/92
JOSEPH L. COONEY	A-2100	10/29/92
HARRIS S. COOL	A-4910	10/29/92
RICHARD A. CORNELL	A-3320	10/19/92
ARTHUR D. DARLING	A-5290	09/29/92
CHARLES A. DAVIS	A-2105	10/19/92
GEORGE W. DEAN	A-2110	09/29/92
ROBERT M. DEAN	A-1010	10/29/92
LOUIE A. DISOTELL	A-8001	10/17/92
L. J. EAST	A-2610	10/29/92
GERTRUDE E. EGAN	A-2635	10/17/92
MELVIN E. EGAN	A-2610	10/29/92
ALBERT M. EYER	A-2142	10/29/92
OMING C. FEY	A-4820	10/17/92
FRANK E. FLYNN	A-1010	10/29/92
JOSEPH C. FORTER	A-1000	10/19/92
CHARLES E. FORTER	A-1000	10/19/92
MARION L. FORTER	A-1000	10/19/92
MAE D. GIBSON	A-5300	10/19/92
CLAYTON D. GIBSON	A-5300	10/19/92
THEODORE E. GIBSON	A-5300	10/19/92
WILLIAM E. GIBSON	A-5300	10/19/92
OSCAR B. HANSEN	A-4300	10/19/92
ANDREW H. JACOBSON	A-4300	10/19/92
GLENN T. JACOBSON	A-4300	10/19/92
ANDREW H. JACOBSON	A-4300	10/19/92
DUANE W. HEUSTIS	A-5300	10/19/92
RUTH H. HEUSTIS	A-5300	10/19/92
THOMAS H. HEUSTIS	A-5300	10/19/92
JAMES O. HUEY	A-5000	10/19/92
ANDREW H. JACOBSON	A-4300	10/19/92
HAROLD S. HUEY	A-3770	09/29/92
JANNA L. JACOBSON	A-4300	10/19/92
ANDREW H. JACOBSON	A-4300	10/19/92
WESTER L. JEFFERSON	A-4300	10/19/92
ANDREW H. JACOBSON	A-4300	10/19/92
ERNEST L. KARABACH	A-3130	10/17/92
ADAM E. KELLY	A-4300	10/19/92
GERALD E. KELLY	A-4300	10/19/92
EDWIN E. KELLY	A-4300	10/19/92
GEORGE E. KELLY	A-4300	10/19/92
DONALD C. KLEIN	A-5000	09/29/92

777 hands move shop to offices at Everett

By the first of the year, nearly 2,600 employees on the Boeing Commercial Airplane Group 777 Division program already will have moved to Everett to help build Boeing's newest twinjet. By this spring, about 6,500 employees, including these employees in the Quality Assurance organization, will have left Renton and other sites around Puget Sound to work at the expanded Everett site. A majority of 777 employees will work in two new buildings, totaling 1.2 million square feet. The second of the two office buildings, the 40-87, opened Monday. Connected by a skybridge, the four-story 40-87 and 40-88 buildings sit at the northeast side of the site. — photo by Greg Then



TECH SOCIETIES

American Production and Inventory Control Society:

For information on forming a Boeing Commercial Airplane Group-wide "fraternity" of employees with CPIM or CFPIM certification, contact Renee Martin, 342-1894 or MS 0Y-38.

Puget Sound Field Power Association, Seattle Chapter:

"Hydraulic Flight Controls Systems," at Haystack United Airlines pilot who emergency-landed a DC-10 in July 1989 after an engine explosion severed hydraulic lines, approximately 7 p.m. Jan. 5 after dinner at Bellevue Greenwood Inn.

Association for Women in Computing, Puget Sound Chapter:

"Windows NT and Associated Networking and Systems Management Products," David Trichter of Microsoft, 7:30 p.m. after 6:30 p.m. dinner Jan. 19 at Bellevue Holiday Inn.

For reservations, (Jan. 14), Son Chandler, 364-7482.

Non-members are welcome at technical society meetings.

The Boeing News mail stop is 15-39 for in-plant mail. For mail from outside the company, add The Boeing Company, P.O. Box 3707, Seattle, Wash. 98124-2207.

Boeing offers condolences

The Boeing Company offers condolences to the families and friends of the following employees whose deaths were reported recently:

GREGORY J. BANASKY died Nov. 30. He was a decorative painter in R-3480. His service date was June 28, 1979.

MILTON C. CABALQUINTO, a Boeing employee since Nov. 1, 1979, died Dec. 3. He was an electrical maintenance technician A in T-6210.

RICHARD R. COCHRAN, an industrial analyst in T-5400, died

Dec. 1. His service date was Oct. 6, 1978.

MICHAEL R. DELNERO died Nov. 25. He was an estimator in A-3006. His service date was July 16, 1980.

JOSEPH GOODSTEIN, a Boeing employee since July 2, 1977, died Nov. 28. He was a construction engineering manager in G-1420.

DUNG V. NGUYEN, a senior engineer in B-G2FU, died Nov. 27. His service date was April 4, 1988.

HARVEY W. PEASE died Nov. 27. He was an assembler installer structures B in T-3110. His service date was April 1, 1988.

GERALD D. ROBERTS, a Boeing employee since Oct. 17, 1988, died Dec. 6. He was an aircraft test technician A in T-4110.

RICHARD J. ROEBER, a sheet metal bench mechanic B in R-3330, died Dec. 5. His service date was June 25, 1987.

JOSE G. VILLENA died Dec. 8. He was a factory service attendant A in A-6110. His service date was July 6, 1987.

DONALD ZIMMERMAN, a Boeing employee since August 12, 1988, died Nov. 28. He was a mechanical developer prover C in T-4530.

Certificate rates

The current Boeing Employees' Credit Union certificate of deposit and Individual Retirement Account rates and annual yields are:

Type	Rate (%)	Yield (%)
3-mo (cd only)	3.75	3.82
6-mo (cd only)	3.90	3.97
12-mo	4.20	4.27
18-mo	4.30	4.37
24-mo	4.65	4.73
30-mo	4.75	4.84
36-mo	5.15	5.25
48-mo	5.25	5.35
60-mo	5.75	5.88

Rates are effective through Dec. 21.

For information call the deposit rate line, 439-5711.

LOT gets four model 737-500s in one day

For only the second time in Boeing history, a carrier will take delivery of four same-model aircraft in one day. These four 737-500s, scheduled for delivery to LOT Polish Airlines later this month, are shown lined up at Boeing Field in Seattle. With these deliveries, LOT will become the largest operator of Boeing aircraft in Eastern Europe, with a nine-aircraft fleet that includes 737-400s, 737-500s, 767-200ERs and one 767-300ER. The only other time four deliveries of the same model to the same customer occurred at the same time was on July 18, 1969, when VASP of Brazil took delivery of four 737-200s. — photo by Ken DeJarnas



Tours provide Center preview

Before the new 720,000-square-foot Spares Distribution Center north of Sea-Tac International Airport opens for business in early January, all 300 employees in the Customer

Service Division of Boeing Commercial Airplane Group who will work at the center will have been able to take one of the monthly tours of the new facility.

The get-acquainted tours are designed to expose employees to the excitement and complexity of the project during construction, so that "employees will feel more comfortable taking ownership when it's time to make the plant move," said manager Harvey Hoglund, second from left, who leads the tours. Moving the 470,000 different types of parts to the new location will take 1,570 trips by 18-wheel truck. — photo by Nancy Wright



59 BEGNF grants allocated

Trustees of the Boeing Employees Good Neighbor Fund allocated 59 holiday grants totalling \$116,210 during November. Holiday grants provide funds for holiday gifts and meals for agency clients. Homeless shelters, food banks and non-profit social service agencies are examples of recipients of these grants. The grants have been awarded to the following:

ADVOCATES, RESOURCES, COUNSELING FOR PERSONS WITH DEVELOPMENTAL DISABILITIES IN KING COUNTY, ALSO KNOWN AS ARC OF KING COUNTY	\$2,000
ALGER FOOD BANK	\$2,500
ATLANTIC STREET CENTER	\$1,200
BELLINGHAM COMMUNITY MEAL PROGRAM	\$2,500
BREMERSON FOOD LINE	\$2,500
CENTRAL KITSAP FOOD BANK	\$1,000
CHILD GUIDANCE ASSOCIATION	\$2,500
CHILDREN'S INDUSTRIAL HOME	\$2,500
CHINESE INFORMATION & SERVICE CENTER	\$2,500
CHRISTMAS HOUSE	\$2,000
CHURCH BY THE SIDE OF THE ROAD	\$1,500
CHURCH OF MARY MAGDALENE	\$2,500
COLUMBIA NUTRITION CLUB	\$1,000
DEACONESS CHILDREN'S SERVICES	\$2,500
EASTSIDE RESETTLEMENT CENTER	\$2,500
EL CENTRO DE LA RAZA	\$1,200
EVERETT GOSPEL MISSION	\$2,500
FISH FOOD BANKS OF PIERCE COUNTY	\$3,185
FORGOTTEN CHILDREN'S FUND	\$2,000
FRIENDS OF YOUTH	\$2,500
GRANITE FALLS FOOD BANK	\$600
HELPING HANDS FOOD BANK	\$550
HIGHLINE HEAD START PARENT ORGANIZATION	\$2,000
HOLLY COOPERATIVE PRESCHOOL	\$900
KENNETT AND HOWARD P. CENTER OF SNOHOMISH COUNTY	\$1,500
KENT COMMUNITY SUPPER	\$765
KIN ON NURSING HOME	\$4,000
LITTLE RED SCHOOL HOUSE	\$1,650
LUTHER CHILD CENTER	\$1,500
LUTHERAN COMPASS CENTER	\$2,500
MAPLE VALLEY COMMUNITY CENTER	\$1,500
MARTIN LUTHER KING ECUMENICAL CENTER	\$2,500
NEW HORIZONS MINISTRE	\$1,000
NORTH MASON FOOD BANK	\$400
ST. VINCENT DE PAUL	\$650
ORTING SENIOR CENTER ORGANIZATION	\$2,500
PREGNANCY AID OF SOUTH KING COUNTY	\$2,500
PUSET SOUND NEIGHBORHOOD HEALTH CLUBS	\$180
RUTH DYKEMAN CHILDREN CENTER	\$5,000
SARATOGA COMMUNITY MENTAL HEALTH	\$2,000
SEATTLE EMERGENCY HOUSING SERVICE	\$1,000
SEATTLE INDIAN CENTER	\$1,000
SENIOR SERVICE OF SEATTLE	\$1,000
SKAGIT COUNTY COMMUNITY ACTION AGENCY	\$2,500
SKAGIT VALLEY NEIGHBORS IN NEED	\$2,500
SOCIETY OF ST. VINCENT DE PAUL	\$2,500
SUNRISE FOOD BANK	\$2,500
ST. VINCENT DE PAUL	\$2,500
STAINWOOD CAMARAO FOOD BANK	\$1,500
TRAVELER'S AID SOCIETY	\$1,500
UNITED CITIZENS BETTERMENT ORGANIZATION	\$2,500
UNITED WAY OF MASON COUNTY	\$1,500
VOLUNTEERS OF AMERICA PUEGET SOUND	\$4,000
VOLUNTEERS OF AMERICA SNOHOMISH COUNTY	\$2,500
WHITE CENTER FOOD BANK	\$1,200
YOUTH CARE	\$1,500
YWCA KITSAP COUNTY ALIVE PROGRAM	\$1,500

Medical plan changes start Jan. 1

Boeing employees, retirees and dependents who are covered under the Boeing Medical Plan should note an important change to the plan effective Jan. 1, 1993.

As of Jan. 1, individuals who receive care outside of a Boeing Medical Plan preferred network service area must meet certain requirements of the Medical Review Program to receive full benefits. In the past, only those who received care inside a service area had to contact the program for prior approval of certain types of care.

The plan requires employees, retirees and dependents to receive approval by the program before being admitted into a hospital or skilled nursing facility, or before receiving home health or hospice care.

A second surgical opinion also is required before undergoing certain nonemergency surgeries, such as a knee surgery or a hysterectomy. However, this requirement only applies to those who receive care inside a network service area.

Full plan benefits are available if an individual contacts the program before an admission or before undergoing certain surgeries.

Benefits are reduced to 50 percent of covered services (up to a \$1,000 individual/\$2,000 family out-of-pocket expense) if the Medical Review Program is not

contacted, and it is later determined that the care was medically necessary. No benefits are paid if the program is not contacted and care is not considered medically necessary under the program's guidelines.

Following are the steps to take to ensure the Medical Review Program requirements are met.

For care received outside a network service area:

■ The patient or provider must preauthorize care by calling the service representative listed on the front of the employee's Boeing Medical Plan identification card. The service representatives' telephone numbers are listed below. The program should be contacted at least 10 days before the proposed admission.

For care received inside a net-

work service area:

■ The provider will preauthorize care if he or she is a member of the plan's preferred network of health care providers.

■ The patient is responsible for receiving preauthorization for the care if the provider is not a member of the preferred network. This can be done by calling the service representative for the area where the care is to be received. The telephone numbers are listed in an employee's current Health Care Plans booklet or on the "How to File a Claim" card. In some cases, the provider may be willing to call.

In the event of an emergency or pregnancy-related admission, the patient or provider should contact the program shortly after admission to ensure ongoing coverage of treatment.

Where to call for approval

BOEING MEDICAL PLAN
SERVICE REPRESENTATIVES
FOR OUT-OF-AREA
PREAUTHORIZATION

Blue Cross and Blue Shield of Alabama	1-800-248-2342
Blue Shield of California	1-800-343-1691
Blue Cross and Blue Shield of Kansas	1-800-223-0529
Blue Cross and Blue Shield of Oregon	1-800-824-8563
Pennsylvania Blue Shield	1-800-782-7925

Blue Cross and Blue Shield of Tennessee	1-800-228-2096
(inside Tennessee)	1-800-245-6419
Blue Cross and Blue Shield of the National Capital Area	1-800-553-8700
King County Medical Blue Shield (inside Washington)	1-800-367-2766
(outside Washington)	1-800-423-6884
Medical Service Corporation of Eastern Washington (Eastern Washington)	1-800-572-0778
(outside Washington)	1-800-835-3510
Blue Cross and Blue Shield of Delaware	1-800-572-2872

VIP loan rates

Interest rates for Voluntary Investment Plan loans are 8.00 percent in December and 8.04 percent in January.

The rates apply to completed loan applications received during these months and remain in effect for the terms of the loans. They are comparable with interest rates charged on similar commercial loans.

For information, telephone the Boeing Employee Information Line, (206) 662-3744, ext. 1006.

Unit-value changes for November

November unit-value changes for Voluntary Investment Plan funds and the Financial Security Plan are shown below. The table compares values for the beginning of December 1992, the beginning of November 1992, and the end of December 1991. It also gives percentages of change for November and for the year through November.

	Fund Values			Change (%)	
	1 Dec 92	1 Nov 92	31 Dec 91	Nov	Yr thru Nov
Fund A	\$4.093827	\$4.107546	\$3.862108	(0.33)	6.00
Fund B	\$8.487664	\$8.274424	\$7.989540	2.58	6.23
Fund C	\$9.669156	\$9.161123	\$9.388937	5.55	3.20
Fund D	\$3.717778	\$3.692441	\$3.444470	0.69	7.93
Fund E	\$0.910713	\$0.927235	\$1.208816	(1.78)	(24.66)
FSP	\$6.979982	\$6.870049	\$6.546315	1.60	6.62

Reported Elsewhere

NATO no help in airspace crowding

NATO has refused to reduce military flights in Europe to help reduce air-traffic congestion there, according to England's Flight International magazine. A NATO official told Flight there is no correlation between a reduction in aircraft numbers because of defense cutbacks and a need for less airspace. It doesn't matter whether there are two or 20 military aircraft in the air, they still need room, he said.

Europe to build low-cost fighter

Britain, Italy, Germany and Spain have agreed to produce a less expensive version of Europe's European Fighter Aircraft. According to The New York Times, Germany's rejection of the original plan because of its cost had put the project in jeopardy. Defense ministers from the four countries recently approved plans for a new fighter, to be called NEFA for New European Fighter Aircraft, that costs 30 percent less. Under the agreement, each country will be allowed to make modified versions of the aircraft. Britain's fighter is expected to be somewhat more sophisticated and expensive than the German version.

IBM to cut 25,000 more jobs

IBM has announced it will reduce its work force by about 25,000 employees next year, according to The Seattle Times. The company also said it would trim its global manufacturing capacity as part of its cost-cutting program. The company has already cut 40,000 employees from its payroll this year. Other cost-cutting measures slated for next year are slicing product development by about \$1 billion and cutting down on the purchase of new equipment.

Deal for Fokker delayed

The Deutsche Aerospace board of directors meeting to conclude the transaction to buy Fokker has been postponed indefinitely, according to Aviation Daily. One reason for the delay is that the Dutch company has failed to make sufficient provisions for a number of potential risks, according to Deutsche Aerospace. For example, Fokker must repay to the Dutch government 500 million marks in development costs for an aging aircraft, such as the Fokker 50, are taken out of production earlier than planned.

Cryogenic fuel attracts Germans

Deutsche Aerospace Airbus is considering developing a cryogenic fuel test-bed platform using an Airbus A310 jetliner. England's Flight International magazine said the decision follows the successful completion of a three-month study into the use of liquid-hydrogen fuel. Deutsche Aerospace Airbus recently concluded a 24-month study on cryogenic fuels for aircraft in conjunction with other companies, including two former Soviet Union companies — airframe manufacturer Tupolev, and engine-maker Kuznetsov.

Alcohol tests proposed by agency

The Transportation Department has proposed a sweeping set of rules for alcohol testing of 7 million truck drivers, airline pilots and other transportation workers. The Wall Street Journal said the proposed testing could cost industry at least \$1.4 billion over the next decade. Under the rules all transportation employees in sensitive jobs would be required to take random Breathalyzer tests for alcohol when they are hired or after any accidents.

They retired Nov. 1 . . .

The Boeing Company wishes the following employees, who retired Nov. 1, good health and happiness in their retirement years:

Name	Date of Birth	Orgn.	Service
DOUG M. ANDERSON	1-20-20	09/57	
STEWART S. BERRY	M-2200	09/57	
JOHN W. BIES	4-7000	05/62	
ESTHER V. BLANKENSHIP	6-4610	08/72	
LEWIS F. BRANCKERT	1-7885	10/58	
JOHN E. BUSTARD	6-2025	10/86	
JACK H. CALLOWELL	8-2679	09/54	
ROBERTA L. CEESE	1-4241	04/78	
LAWRENCE R. FRESE	1-8911	05/75	
RONALD E. FYE	7-6757	10/81	
RAY T. GILBERT	R-3610	08/52	
JOHN E. GIBSLAND	4-3000	10/68	
MELVIN H. HILL	2-4800	02/73	
SHARON K. HILL	8-6148	03/68	
ROBERT M. JAMES	1-5910	04/78	
ROBERT N. KELLEY	A-3290	02/71	
OWEN K. KING	6-2680	08/59	
CHARLES E. KINZEL	9-3261	01/57	
JOHN E. KOPPERTAS	9-5881	08/57	
SUBANAVANTU L. LAGO	9-4382	05/77	
JOHN A. LANGE	9-4857	08/53	
JAMES E. LARSON	1-5800	10/65	

JAMES S. MACKIE	6-5000	04/68
ORINIS L. MALONE	4-3000	11/68
THEODORE E. MASON	8-3710	10/74
RONALD J. MASON	1-8884	02/54
JOHN L. MAYES	A-7400	06/78
LYOYL L. MCCLAFIN	6-5000	06/56
DONALD A. MEAD	G-3951	04/62
JOHNNY D. MILLIGAN	8-5056	05/53
DAVID L. MILLS	4-3710	01/61
JOHNNY D. MITCHELL	9-1813	11/56
LORRAINE A. MOON	4-8337	06/61
NICHOLAS S. O'CONNELL	1-1100	05/77
MICHAEL POWERS	A-7100	07/77
ROBERT C. PRESTON	W-7850	01/59
ALMA M. ROBINSON	A-3210	10/78
ROBERT J. ROMEIS	2-4052	06/52
HERMAN ROTH	A-6150	03/70
VERNA D. SATTERLEE	R-7771	10/76
THEODOR L. SCHNEIDER	A-6150	04/74
ROBERT C. SHATTUCK	1-7300	07/62
ACE L. SMITHER	T-6300	07/56
JAMES E. SOMMER	8-3618	10/68
PHYLLIS L. VANLEAVE	9-1111	03/72
KENNETH L. STIVERS	9-1813	10/53
WILLIE G. TUCKER	R-3850	07/53
PAUL D. WALTON	T-3800	05/75
WILLIAM A. WICKS	4-7000	10/62
JOHN W. WOODLARK	R-6230	01/68
EDWARD YANOSKY	7-6722	02/52

Meeting needs, adding value key concerns for customers

"In the early days of aviation, adding value meant designing, building and flying airplanes that went faster, farther and higher. Today it's not enough to add capability — airline customers ask how much it costs."

Larry Dickinson, vice president of International Sales, Asia/Pacific, for Boeing Commercial Airplane Group, told the First Indian International Aviation Congress in Bombay recently that the challenges of adding value are compounded by the "urgent pressure of economics in a changing and increasingly competitive world marketplace."

"Our customers are not asking for the newest airplane," he said. "They are asking us to meet their needs and add value. That is the only thing that matters."

He said that for an airplane manufacturer, being first to market is not the issue — being right, for the market, by adding value, is.

Dickinson said the 707 followed its competition to market by six years — but over its lifetime outlasted that competition by almost 10 to 1.

"It did this because it was the best airplane available," he said. "It created its own market by offering a swift, comfortable and affordable way to travel. And it increased range by 50 percent and fuel efficiency by 25 percent over its competition."

"That's adding value," Dickinson said the 737, which surprised everyone with its enormous popularity over the years, made its debut in 1965 after three competing airplanes had been introduced several years earlier.

"But with a family of airplanes — the 737-300, 400 and 500 — airlines save up to 10 percent in operating costs and mass additional time and money from identical flight crew training and maintenance support," he said.

"The 737 family is the best-selling airplane type in history, with more than 3,000 ordered. Not because it was first — it was fourth. But because it was right. That's adding value."

The new Boeing 777 is not the first airplane in its market," Dickinson said, "but it is the airplane airlines prefer. Since the launch of the 777 almost two years ago, it has captured 70 percent of the market for airplanes of its size. "It wasn't first. But it was right. That's adding value."

Dickinson said another component of "adding value" is technol-

ogy — the best technology.

"Boeing applies new technology when and only when it makes our airplanes safer . . . more efficient . . . or more economical," he said. "Not just discrete technologies — a black box, a wing flap, a landing gear system. The full life cycle of the product — from purchase to resale, and everything in between. Technology that satisfies both the pilot and the accountant."

Looking to the future, Dickinson said one thing that Boeing has learned over the years is that it's extremely important to listen to the airlines to see things through their eyes and understand their perspectives.

"This is where adding value starts, finding out from our customers what their requirements and challenges really are," he said.

Dickinson said the challenge for Boeing is to listen to the airlines and give them what they need.

Taking the 777 as an example, he said Boeing spent two years during preliminary design talking to the world's leading airlines, including Air India, to find out what their needs were.

"For an airplane manufacturer, being first to market is not the issue — being right for the market, by adding value, is."

"We are involving customers in our teams of designers, suppliers, finance, operations, manufacturing, customer-support representatives and others," he said.

Dickinson said designers from these design build teams are using powerful computers to create 777 parts and systems as three-dimensional solid images instead of the traditional two-dimensional drawings. To check the designs, they simulate how parts and systems fit together electronically.

And designers use these same powerful computers to design assembly tools concurrently with the parts for which they'll be used.

"But despite these sophisticated design tools, one fact must be remembered," Dickinson said. "Computers don't design and build airplanes — people do. And it's really people who are the key to the 777's success. That's why we're

encouraging employee as well as customer participation in the 777 program. Essentially, we're talking to each other more, which helps generate ideas and improves teamwork."

Dickinson said that in response to customers, Boeing has been committed to a family of 777s from day one.

"In addition to the two 777 models we're currently offering — the initial 'A' market 777 and the longer-range 'B' market 777 with a range almost equal to the 747-400 — we plan to develop the airplane for still greater capacity, including a stretched fuselage for even passenger capacity," he said.

"As engines with greater thrust become available, we envision 777s with greater payload and range capabilities to serve the markets of tomorrow."

Dickinson said nine 777s will be committed to the most extensive flight-test program Boeing has ever undertaken.

"Customers will participate in this to ensure test validity and to help them obtain operational approval for extended-range twin-engine operation," he said.

"When all testing is complete and our customers receive their 777s, the new twinjets will be ready to meet all types of customer requirements."

For example, he said, airlines said they needed the 777 to carry full passenger loads out of many high-levation, high-temperature airfields, such as at Delhi, and to climb quickly up and over other airline traffic. They also wanted a higher initial cruise altitude than their competitors.

"To meet these requirements, we took advantage of advancements in aerodynamics technology that allowed us to design a new wing for the 777," Dickinson explained.

"We also worked with the three leading engine manufacturers to provide high-efficiency turbofan engines that match the technological improvements of the wing and to meet all anticipated family mission requirements."

Dickinson said Boeing is using advanced technologies on the 777 for one reason: to meet customer requirements with an airplane that achieves new levels of passenger comfort, unsurpassed operating economics and simplified maintenance procedures.

"The most important point is that by working with our customers, we're adding value to a product they need to meet their market demands in the 21st century." ■

Change for retiree health-care costs to reduce '92 earnings by \$1 billion

Boeing announced Monday it is changing the way it handles accounting for retiree health-care costs, a change that will substantially reduce 1992 earnings.

Before the change, Boeing had recorded the company's estimated obligation for health-care costs at the time an employee retired.

With the change, Boeing will accrue the cost year-by-year while the

employee is still working, until full benefit eligibility is reached.

The intent of the change is to bring retiree health-care accounting in line with accounting practice for other retiree benefits.

Catching up with working-employee accruals will reduce 1992 earnings by \$1 billion. Boeing will restate 1991 quarterly earnings figures to reflect the earnings drop.

The accounting change will not affect the company's cash-flow requirements.

The accounting standard governing the Boeing change was developed by the Financial Accounting Standards Board, a self-regulatory body of the U.S. accounting profession. Adoption of the new standard was required no later than the first quarter of 1993. ■

HOTLINE • HOTLINE • HOTLINE

**CORPORATE OFFICE OF BUSINESS PRACTICES
655-1500 or 1-800-843-5003**

MAIL STOP 14-14

777 undertaking 'may be largest funded by a single firm'

CONDIT

From Page 1

discoveries and inventions have managed to make today's globe-spanning jetliners a reality.

Condit said the concept of cooperation is not new at Boeing, which flew its first airplane in 1916.

"When the company was very small and most workers knew each other, employees proudly worked side by side in teams to build quality products," he said.

"But as the years rolled by, and Boeing grew in size, business practices changed.

"Management complexity crept in, missions became more difficult to define, and problems became harder to solve.

"As specialties grew within an organization, they tend to seal off one function from another and to create rivalries and misunderstandings.

"Moreover, a whole lexicon of

technical jargon begins to emerge that isolates one discipline from another—and inhibits people from sharing ideas and working together.

"We're trying hard to change that now," Condit said. "To build the largest twin-engine airplane in the world—the 777—Boeing is attempting to recapture the team spirit from the company's early days. In a sense, we're 'looking back' to create the future."

Calling attention to the "tremendous synergy" that results when individuals or nations cooperate on technical challenges, Condit went on to explain the role of teamwork in developing the new 777, set for its first delivery in 1995.

"We are trying to listen to each other more intently, break down some of the artificial barriers that isolate functions and organizations, and to broaden the participation of our customers and suppliers."

Calling the 777 undertaking "probably the largest current endeavor in the world funded by a

single firm," Condit said the teaming concept includes "listening more aggressively than ever before" to the needs of airline customers, of which 11 have announced 777 purchases.

"Boeing is attempting to recapture the team spirit from the company's early days. In a sense, we're 'looking back' to create the future."

Condit said that included seeking customer input on such basics as wingspan, performance and flight deck layout, and options such as cabin interior layout.

"We instituted design/build teams, because we knew from experience that the conventional pro-

cess for new aircraft development incurred substantial costs as a result of design changes, errors and redraws after the initial release of drawings," Condit said.

He explained that the teams consist of representatives from multiple disciplines—engineering, manufacturing, finance and so forth—who evaluate the designs from many perspectives before they are released to be built.

"The various disciplines working together help ensure that the 777 will be produced in an efficient, cost-effective manner, and that the end product will have superior quality and reliability," Condit added.

He explained that the 777's design process is being conducted in a "paperless" environment through the use of advanced computer technology. It allows designers to create parts and systems in three-dimensional form on workstations and then, using computer simulation, check them for proper fit and operation before they are built.

Condit said that accompanying the high-technology tools is an emphasis on improved communication with 777 program employees, including "all team" meetings that bring managers and non-management employees together regularly to discuss progress and problems.

"One thing we've learned in this process of team building is that it's very difficult to do well, but when we do the results are dramatic," Condit said. "Teaming fosters the excitement of a shared endeavor and creates an atmosphere that stimulates creativity and problem solving."

"But building team skills is hard work," Condit said. "It doesn't come naturally. Most of us are taught from an early age to compete and excel as individuals. This individualistic mentality has its place, but I'm convinced that it's no longer the most useful attitude for a work force to possess in today's world."

"To create a high-performance

organization, you need employees who can work together in a way that promotes continuous learning and the free flow of ideas and information."

OBJECTIVE:
Continuous improvement in quality of products and processes.

Condit said that while designing the 777 for market needs into the 21st century, the company also is making sure the plane will be ready for immediate service from the day it is delivered to the first customer in 1995.

"Boeing's success in the marketplace depends upon designing and building products that provide the best solution to our customer's changing needs," Condit emphasized. "We have an obligation to listen to what our customers say, and to our priorities by theirs."

"There's nothing really new about this 'working together' concept," he said. "It's as old as aviation itself. But I'm convinced that finding new ways to make this 'working together' strategy flourish in today's world is essential, not only for the future of my company, but for the continued success and growth of commercial aviation around the world."

First 777 order by lease company

ILFC

From Page 1

are for five 737s, five 757s, five 767s and two 777s.

This is the first order by a leasing company Boeing's newest jetliner, the long-range 777, for which ILFC became the 10th customer.

The Airbus order is for four A300-600Rs, one A310-300, six A319s, five A320s, nine A321s, one A330 and two A340s. The converted option is for one MD-11.

ILFC is a major lessor and financier of jet transports, with headquarters in Los Angeles, Calif. A Boeing customer since December 1977, ILFC has now ordered 291 new Boeing jetliners.

Steven Udvar-Hazy, ILFC president, said he hoped the orders "will be a spark plug to return confidence to the airline industry."

"I believe the Boeing 777 will become a major part of many airlines' long-range fleets, and we want to be in a position to lease them to airlines who elect not to purchase them outright," he said.

Dean Thornton, president of Boeing Commercial Airplane Group, called the announcement "refreshing news for an otherwise nervous industry" and said the order gives validity to Boeing's often-spoken optimism for the long-range outlook.

"ILFC is made up of very savvy, intelligent folks who always have been excellent market timers,"

Thornton said. "We appreciate their confidence in Boeing products and confidence in an improving aviation industry."

ILFC, which has taken delivery of 128 new Boeing jetliners to date, has 110 Boeing jetliners previously on order.

Tuesday's announcement brings its unfilled announced orders to 163 aircraft. Of these, 88 are 737s of various series, seven are 747-400s, 38 are 757-200s, 24 are 767-300ERs and six are 777s.

During 1992, Boeing has announced orders for 242 jetliners, with a total value of about \$1.7 billion.

The breakdown by airplane model is 113 737s, 28 747s, 38 757s, 21 767s and 42 777s. ■

'Excellence means doing things right the first time'

COSGROVE

From Page 1

many times during the 11 years they have worked together.

According to Purvis, "Ben really challenged the assumption that an airplane will last forever as long as you inspect and maintain it."

"He took a proactive approach to aircraft safety and aging aircraft that said we should know what the key issues are long before an accident ever happens."

Added Boeing President Phil Condit, "Ben's and Boeing's commitment to safety are one and the same—unending and absolute."

When it comes to an accident investigation, this commitment means seeking out answers no matter who might be responsible for the accident.

"He always does what's right, despite what the answer might be," Purvis said.

Cosgrove's relentless pursuit of answers often means engineers have to dig deeper when they most want to give up. "I can't" are not words Cosgrove deeply accepts.

Although his legendary gruffness and sometimes piercing gaze have intimidated many an engineer, some, like Renton's director of En-



BEN COSGROVE

gineering, Bob Hammer, insist that Cosgrove's bar is higher than his bite. In some engineering quarters, he's known as "Gentle Ben."

Persistence pays off

Sometimes the Ben is more apparent than the Gentle, however. When Purvis' team came back empty-handed from the menacing jungle in Thailand during the Lauda accident investigation in 1991, Cosgrove sent them back.

"Don't come back until you have my Directional Control Valve," Purvis remembers Cosgrove saying.

The team went back not once, but twice to scour the jungle for the part from the left-hand engine thrust reverser. They got it.

Crunch time

Boeing Commercial Airplane Group President Dean Thornton recalled Cosgrove's hard work when he was running the 767 program and Cosgrove was his chief project engineer.

"At the end of the development phase, the 767 became a two-crew instead of a three-crew cockpit," he said. "We got into a big crunch at that point, and Ben really rallied to support the schedule."

His work earned Cosgrove honors from Aviation Week & Space Technology magazine in 1983. Perhaps even more important to Cosgrove was the Pride in Excellence award he received from Sterling Sessions, director of Operations on the 767.

"Even though Engineering and Manufacturing don't always see eye to eye, Ben was always the guy to help us out when engineering releases were late, or when engineering decisions impacted our work," Sessions said. Thornton called the Pride in Excellence award a "remarkable tribute to Ben."

Cosgrove's reputation for determination goes beyond Boeing gates.

Dale Warren, formerly Cosgrove's counterpart as vice president of Engineering at McDonnell Douglas, met Cosgrove a dozen years ago when they both were testifying before a Congressional committee.

"Ben not only knows airplane design, he understands operations and maintenance issues as well," Warren said. "He always speaks up when he has something on his mind. This has been good for both the aircraft manufacturing and transportation industry."

Expect excellence

Ben Cosgrove learned some of his persistence at Notre Dame University, where, as he tells it, "Expectations were high and you always were expected to do things right the first time." Unlike his training at Notre Dame, Cosgrove said that today many engineering programs stress theory and computing over practical, hands-on experience.

Cosgrove cited an example from a recent book on the history of design engineering:

"A dome cathedral built from an engineer's drawings and calculations in the Middle Ages is still standing. The computer-designed roof of the Hartford Civic Center collapsed in 1978 under the first snowfall—three years after it opened. How come? I'm con-

cerned that engineers are making the same mistake today."

"I can tell you that the only god around here is your brain, discipline, and a lot of prayer."

Because software makes it so easy to change things, Cosgrove wonders if engineers are getting in the habit of not doing things right the first time.

"William Allen said the best thing I've ever heard at The Boeing Company. I expect excellence from everybody."

"Excellence means doing the right things right the first time," Cosgrove said.

Run faster

Ben Cosgrove soon will leave a very different Boeing company than the one he joined more than four decades ago. The defense business has downsized dramatically. Airbus Industrie has grown into a serious competitor. Business types, not engineers, run today's airlines. These factors translate into what Cosgrove called one of Boeing's biggest challenges.

"Engineers will have to be very aware of our airline customers' business environment in order to design and build simpler, more cost-efficient airplanes. We will have to keep running faster to stay in front of the competition." ■

Stock option price is set at \$34.50

The Compensation Committee of the Board of Directors formally approved the 1992 stock option grant to Boeing managers effective Tuesday, Dec. 15.

The fair market value of Boeing stock (the midpoint between the high and the low price on that day) was \$34.50 per share.

China Southern Airways is latest 777 customer

China Southern Airlines, based in Guangzhou (Canton), People's Republic of China, has become the latest airline customer for the Boeing 777, with an \$800 million order for six of the new-generation widebodies.

The contract was signed Dec. 17 in Guangzhou by officials from China Southern, Boeing Commercial Airplane Group and China Aviation Supplies Corp., the purchasing unit of the Civil Aviation Administration of China, which oversees most of China's airlines.

"Boeing is honored that China Southern has chosen the 'market-driven' 777 for its fleet expansion," said Neil Standal, vice president and assistant general manager for the 777 Division. "China Southern now becomes the 11th customer to select the newest member of the Boeing family of jetliners, reflecting well on the airplane's widespread acceptance by a variety of the world's airlines."

China Southern's all-Boeing jet fleet of 14 new-generation 737s, 13 midsize 757s and three 767 widebodies operates throughout China and internationally to the Philippines, Indonesia, Malaysia and Thailand. The fast-growing airline registered a 20-percent increase in passenger traffic in 1991 over 1990 and a 26-percent hike in total

business income over the prior year.

China Southern's 777s will provide additional capacity for trunk routes in the region and for expansion to new destinations.

"The Boeing 777 is an ideal complement to our fleet," said China Southern President Yu Yanen. "The airplane has the right size, a comfortable, spacious and flexible interior and the operating economics to help us expand profitably in the years ahead."

Yu said Boeing's commitment to ensure reliability before the 777 is delivered and the company's premier customer service, including

maintenance support, were key factors in the decision.

China Southern's 777s will be configured to carry 380 passengers in a two-class arrangement. The airline has not yet announced an engine selection.

China Southern is the fifth new customer for the 777 announced this year. The order raises to 118 the number of announced units ordered of the newest Boeing jetliner; there also are 95 options. These figures include six 777s and options for two more announced Tuesday by International Lease Finance Corp. (ILFC). ■

Covert, at MIT, is second Wilson Aeronautics Prof

Massachusetts Institute of Technology professor Eugene Covert has been named the second recipient of the T. Wilson Professorship of Aeronautics.

The professorship was established at MIT by a gift from The Boeing Company in honor of former Boeing Chairman T. Wilson. Wilson, now chairman emeritus, was a Sloan Fellow at MIT. He retired from Boeing in 1987.

The appointment of Covert was announced at a dinner in Seattle Dec. 14 by Professor Earl Mumman, head of the MIT Department of

Aeronautics and Astronautics. Among those attending the ceremonies were Wilson; A.D. "Bert" Welliver, Boeing Corporate senior vice president of Engineering and Technology; Paul Gray, chairman of MIT Corp.; Joel Moses, dean of Engineering at MIT; and Boeing board members.

Covert began his aviation career in 1946 as a flight-test engineer at the Naval Air Development Center. Following active duty, he returned to the center as a design engineer.

He became research engineer at MIT's Naval Supersonic Laboratory and was awarded his doctorate in aeronautics and astronautics in 1958. He joined the MIT faculty in 1963, and served as a department head from 1985 to 1990.

Covert is widely recognized for his research into unsteady aerodynamics, heat transfer, and magnetic suspension and balance systems.

In 1972, he was appointed chief scientist of the U.S. Air Force, and in 1986, he was named to the presidential commission investigating the Space Shuttle Challenger accident.

The professorship was made possible by a \$1.5 million grant established by Boeing in 1988. Interest from the grant is used to fund the salary of a professor for the chair, and support development of MIT aeronautics programs, including research. ■

Air Nippon orders 737-500s

Air Nippon Co., the domestic subsidiary of All Nippon Airways, has placed an order for seven 737-500s and secured options for an additional eight, Boeing Commercial Airplane Group confirmed today. Value of the total order including spare parts is about \$680 million.

Air Nippon said it selected the Boeing 737-500 from several candidates, including the Fokker 100, British Aerospace BAe-146, McDonnell Douglas MD-87 and Airbus A319.

"We are extremely pleased that Air Nippon selected the 737-500 over competing aircraft in its category," said Larry Dickenson, Boeing Commercial Airplane Group vice president for International Sales. "All Nippon has been a long-term customer of Boeing, and we look forward to sustaining an equally long relationship with Air Nippon in supporting Boeing aircraft."

The carrier said it plans to use its 737-500s on do-

mestic routes because the Boeing aircraft meets its requirements for low-noise, medium-sized jetliners. The new 737s will be operated in place of YS-11s, which the airline will begin to replace in 1995 and complete their retirement by the end of 1996.

In restructuring its local air routes, Air Nippon has already purchased one 737-200 from All Nippon, in addition to leasing nine other 737s from its parent company.

Air Nippon was established in 1974 for domestic service operations, primarily linking the Japanese islands with the main island of Honshu. The Air Nippon network connects 33 cities in Japan, including those in Hokkaido, central and southern Japan, and Okinawa. To date, Boeing has logged orders for 3,039 of the 737s, the most widely sold aircraft in history. Of those, 272 orders are for 737-500s.



Wichita 777 support moves ahead with forming of nose chords

Production of the 777 jetliner took another step forward at Boeing Commercial Airplane Group, Wichita Division, last month with the forming of 20-foot-long aluminum chords for the new airplane's nose section. Here Boeing Wichita stretch press operator Steve Evans steadies a chord for the nose section following a forming operation. Prestretched under about 400 tons

of pressure, the 20-foot-long aluminum chords stand about 8.5 feet tall at their peak. After preforming, the parts undergo a heat treat process and are then stretched a second time, under 850 tons of pressure. All told, the parts are being pulled nearly 2 feet on a 32,000-pound stretch form block.